

## Message Text

SECRET

PAGE 01 SAIGON 20014 280537Z

13

ACTION SS-20

INFO OCT-01 EA-11 ISO-00 PM-07 NSC-10 SPC-03 RSC-01

CIAE-00 INR-10 NSAE-00 DODE-00 EB-11 COME-00 SCEM-02

INT-08 OMB-01 L-03 TRSE-00 AID-20 DRC-01 /109 W

----- 097800

P R 271037Z NOV 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC PRIORITY 9360

INFO AMEMBASSY PHNOM PENH PRIORITY

CINCPAC PRIORITY

USDAO SAIGON

S E C R E T SAIGON 20014

E.O. 11652: GDS

TAGS: ENRG, VS

SUBJ: POL PROCUREMENT FOR RVNAF AND FANK

REF: STATE 230205

CINCPAC FOR JPO; DAO FOR AOSAR/MSD

1. THE INSTRUCTIONS CONTAINED IN REF ARE BEING CARRIED OUT AS  
FOLLOWS:

A. GVN MOND WILL BE BRIEFED ON THE CURRENT POL SUPPLY  
SITUATION LATER THIS WEEK. DELAY IS TO ALLOW REACTION OF  
COMMERCIAL SUPPLIERS TO PROPOSALS THAT WERE PRESENTED TO THEM BY  
DAO AS OUTLINED BELOW.

B. DAO RATHER THAN GVN IS NEGOTIATING BOTH THE OIL SUPPLIERS  
BECAUSE THE OIL COMPANIES ARE RELUCTANT TO NEGOTIATE DIRECTLY WITH  
GVN ON THE SUPPLY OF MILITARY PRODUCT. SHELL AND CALTEX  
LOCAL REPS HAVE AGREED TO SUPPLY PRODUCT IN  
QUANTITIES AND AT PRICES ORIGINALLY NEGOTIATED WITH USDOD.

C. SHELL AND CALTEX WERE ASKED IF IT WERE POSSIBLE TO MAKE  
SECRET

SECRET

PAGE 02 SAIGON 20014 280537Z

USE OF CONTRACTS AS NEGOTIATED WITH USDOD. THESE CONTRACTS WOULD

BE MODIFIED TO DELETED US PARTICIPATION AND ADD PROVISIONS FOR PAYMENT. MODIFICATION WOULD BE IN THE FORM OF A LETTER OF AGREEMENT BETWEEN THE GVN MOND AND THE SUPPLIER. THIS WOULD ALLOW THE USE OF PRICE DATA AND PRODUCT QUANTITIES FORMERLY NEGOTIATED WITH DOD.

D. ALTHOUGH TENTATIVELY ACCEPTED BY LOCAL OIL COMPANIES, OUR PROPOSAL HAS BEEN FORWARDED TO THE SINGAPORE OFFICES FOR FORMAL COMMENT. AN ANSWER IS EXPECTED BY 28 NOV 73. DEPENDING ON THE ANSWER TO OUR PROPOSAL WE CAN PRESENT A FIRM IMPLEMENTING PLAN TO GVN OR IF RESPONSE TO OUR PROPOSAL IS NEGATIVE WE CAN THEN ADVISE THE GVN MOND TO NEGOTIATE DIRECTLY WITH THE SUPPLIERS.

2. WE BELIEVE OUR PROPOSAL TO BE THE BEST MEANS OF EFFECTING RVNAF POL RESUPPLY USING THE AUTHORITY AND MEANS OF PAYMENT DESCRIBED IN REF.

3. AMEMBASSY PHNOM PENH HAS BEEN REQUESTED TO DELAY ADVISING RYR MOND TO NEGOTIATE DIRECTLY WITH OIL SUPPLIERS PENDING THE OUTCOME OF OUR PROPOSAL.

4. DEVELOPMENTS WILL BE REPORTED AS THEY OCCUR.  
MARTIN

SECRET

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY PROCUREMENT, SUPPLIES, PETROLEUM, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Page Count:** 2  
**Previous Channel Indicators:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** STATE 230205  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 05 DEC 2001  
**Review Event:**  
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**Secure:** OPEN  
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**Subject:** POL PROCUREMENT FOR RVNAF AND FANK  
**TAGS:** ENRG, VS  
**To:** STATE  
**Type:** TE  
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